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NATURAL DISASTER ASSISTANCE
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Program Aid
Number 1328

Disaster Management and
Coordination Staff



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Introductory Message from the Secretary

As Secretary of Agriculture, I have witnessed this Administration's remarkable ability to respond quickly to the needs of America's citizens who have been affected by natural disasters. The U.S. Department of Agriculture is one of the primary government agencies helping people cope with disasters -- providing emergency food assistance; providing low-interest loans to farmers and rural residents for farms and housing; restoring damaged land; controlling disease and insect infestations; providing information on safe food handling; and more. I am proud of the outstanding work USDA employees do in response to floods, droughts, hurricanes, fires, and other natural disasters. To help you understand all that we do, we have compiled this booklet to provide brief explanations of all the types of USDA disaster assistance. I hope you will find it useful.

A handwritten signature in black ink, reading "Dan Glickman". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

DAN GLICKMAN
Secretary of Agriculture

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Types of Assistance Available

The U.S. Department of Agriculture (USDA) provides many types of assistance to farmers and other rural residents, as the result of natural disasters such as drought, fire, flood, storm, earthquake, hurricane, tornado, and volcanic eruption. There is also assistance available to producers who suffer losses as a result of crop or livestock disease or pest infestation.

Depending on the nature and severity of a natural disaster, the USDA Disaster Management and Coordination Staff will provide the necessary liaison and coordination required between USDA agencies and other Federal departments and agencies, including the Federal Emergency Management Agency (FEMA).

The type of assistance depends on the level of the disaster. Farmers who have suffered a sudden major disaster or are threatened with one may want to contact the local office of one or more USDA agencies to learn whether they can get special help. In some instances, assistance can be provided only after the Secretary of Agriculture has issued a determination of a natural disaster for an entire county. *The levels of assistance are as follows:

*For the purpose of this document, county includes a parish and borough.

- **Agency level:** A direct request from a State Governor or Indian Tribal Council may result in certain kinds of assistance from USDA agencies.
- **Farm Service Agency (FSA) Administrator level:** The FSA Administrator's Physical Loss Notification is initiated by the FSA County Executive Director and recommended by the FSA State Executive Director (SED) to the FSA Administrator. The Administrator can designate counties as disaster areas and provide emergency (EM) loan assistance for physical losses only.
- **Secretarial level:** At the request of a State Governor or Indian Tribal Council, the Secretary of Agriculture can designate counties as disaster areas and provide certain USDA disaster assistance.
- **Presidential level:** At the request of a State Governor, the President can declare a State* to be a major disaster area under the terms of the "Robert T. Stafford Disaster Relief and Emergency Assistance Act," which provides help through other Government agencies as well as USDA.

*For the purpose of this document, State includes any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands, unless otherwise designated.

Depending on the level and type of a natural disaster, USDA agencies can provide the following:

- Emergency food assistance, through the Food and Consumer Service (FCS).
- Certain kinds of livestock feed assistance from the Commodity Credit Corporation (CCC) through the FSA.
- Help in restoring damaged eligible land, through the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS).
- Low-interest loans to farmers, through the FSA.
- Low-interest loans to rural residents in need of housing, or, e.g., to rural communities, businesses and nonprofit corporations in need of public facilities, utilities or economic development, through the Rural Development mission area agencies: Rural Business-Cooperative Service (RBS), Rural Housing Service (RHS) or Rural Utilities Service (RUS).
- Indemnity payments to farmers for crop losses covered by insurance, through the Risk Management Agency (RMA).
- Payment to producers for losses of crops not insurable under catastrophic risk protection through the FSA.
- Technical information and assistance to farmers and others in developing plans to reduce disaster effects, and in returning to normal after a disaster, through the Cooperative State Research, Education and Extension Service (CSREES), in cooperation with the State Cooperative Extension Service (CES) and State land-grant universities.
- Prevention, control, and eradication of plant and livestock diseases and insect infestations, through the Animal and Plant Health Inspection Service (APHIS).
- Assistance in controlling fires that threaten to spread from nearby crop lands onto national forests and fire protection in and management of national forests, through the Forest Service (FS).

- Information on the safe handling and use of meat and poultry, through the Food Safety and Inspection Service (FSIS). Consumers may call 1-800-535-4555. If calling within the metropolitan Washington, D.C. area, call (202) 720-3333.

Where to Apply for Assistance

USDA Offices

USDA has offices to serve every agricultural county. In many counties, all USDA agencies are at a central location. Any county USDA agency office can either direct an applicant to the nearest office of the USDA agency or other organization providing the service, or take the application for approved programs. Applications and information about emergency food assistance can be obtained at any State or local food stamp office.

Indian Tribal Help

For assistance for Indian tribes, first contact the nearest tribal office or the **Bureau of Indian Affairs (BIA), U.S. Department of the Interior**.

Local Assistance Available Without a Major Determination of Disaster

Animal Diseases and Plant Pests Control

The **Animal and Plant Health Inspection Service** is prepared to provide technical advice and assistance to consumers, farmers, ranchers, and others in emergency situations through their Regional Emergency Response Organizations. These organizations have a network with Animal Health Officials in every State and also have their own personnel who can be detailed to advise and assist in the disaster response involving control, movement, euthanasia, and disposal of livestock and poultry. The main phone number for the APHIS Emergency Management Staff in Riverdale, Maryland is (301) 734-8073. Local phone numbers would be established in the event of an emergency response.

Disaster Advice

The **Cooperative Extension Service** supports all USDA natural disaster missions through the land-grant universities by providing the following:

- Information and educational material to farmers, ranchers, and others on what they can do to protect themselves and their property against the hazards associated with disasters.
- Advice on cleanup of damaged property, sanitation precautions, insect control, food preparation in an emergency, recovery actions on damaged farms, and renovation of damaged equipment and property.

Livestock and Wildlife Feeding, Production, and Conservation Practices

The Farm Service Agency and Commodity Credit Corporation programs are as follows:

- **Emergency Conservation Program (ECP).** The ECP provides emergency funds for sharing with farmers and ranchers the cost of rehabilitating eligible farmlands damaged by natural disaster. Costs are also shared for carrying out emergency water conservation measures during periods of severe drought for livestock and existing irrigation systems for orchards and vineyards.
- **Emergency Feed Program (Feed Cost-sharing Program) (Suspended 1996-2002).** The Emergency Feed Program allows CCC to share the costs with eligible livestock owners, at an established rate, for purchases of livestock feed normally produced on the farm. Producers must have suffered a substantial loss of livestock feed and must have insufficient feed to maintain and preserve their eligible livestock.
- **Emergency Feed Assistance Program (Suspended 1996-2002).** The Emergency Feed Assistance Program provides for the sale by CCC of CCC-owned grain at reduced rates to livestock producers whose livestock feed, normally grown on the farm, has suffered a substantial loss because of a natural disaster. Eligible farmers must have insufficient feed available to preserve and maintain their eligible livestock.

Other CCC Emergency Livestock Programs. CCC may also make feed grains, such as corn, grain, sorghum, oats, or barley, owned by the CCC, available for livestock in a natural disaster situation under the following programs:

- **Crash Feed Grain Donation Program (Suspended 1996-2002).** Eligible livestock are those which are commingled, stranded, and unidentified as to owner, or owned by one who is temporarily unable to arrange for feed or pasture. This program lasts only until owners

are able to resume care of their livestock.

- **Livestock Preservation Donation Program (Suspended 1996-2002).** Eligible owners must have had their livestock operation so damaged by the disaster that they do not have sufficient remaining cash or credit with which to purchase necessary feed grains at present market prices to maintain their livestock or to participate in any of the other livestock programs authorized for the county.
- **Indian Acute Distress Donation Program (Suspended 1996-2002).** The BIA, U.S. Department of Interior, may recommend that CCC-owned feed grains be donated to Indian tribes for feeding livestock under the Indian Acute Distress Donation Program. It requires a decision by the Administrator, FSA, that the chronic, acute distress for the needy members of an Indian tribe has been materially increased due to severe drought, flood, hurricane, blizzard, or other catastrophe. Distribution of feed to the tribe is arranged by the BIA.
- **Migration Wildfowl Feeding.** When the Secretary of the Interior declares that an emergency exists, CCC-owned grain may be made available, on a reimbursable basis, to the Department of the Interior for feeding migratory waterfowl that are threatened with starvation, or for prevention of crop damage.
- **Resident Wildlife Feeding.** CCC-owned grain may also be donated to State agencies for feeding resident wildlife threatened with serious damage or loss from starvation, upon the requests of appropriate State agencies and authorization by the Secretary of the Interior.
- **Authority for Emergency Livestock Feed Programs for 1996 and Future Years.** With the suspension of traditional emergency feed programs, the Agricultural Act of 1970, section 813(c) provides the only authority, with minor exceptions, for accessing the Disaster Reserve. The Agricultural Act of 1970 provides that the Secretary may sell or dispose of commodities in the Disaster Reserve only as a result of a declaration of a State of emergency proclaimed by the President, or by concurrent Resolution of Congress. The Concurrent Resolution of Congress in 1996 provides continued authority for the Secretary to utilize these stocks.

Disaster Reserve Assistance Program (DRAP) was implemented for the 1996 crop year only with the

funding provided from the sales of disaster reserve stocks. DRAP provided assistance to livestock producers for losses of feed grain crops, forage, and grazing due to natural disasters. Assistance is provided in the form of cash reimbursement up to 30 percent cost share of eligible purchased feed not exceeding the total benefits available. DRAP also provides for the donation of grain to needy Tribal members when it has been determined that acute economic distress exists because of the affects of a natural disaster on reservation lands.

Proposals are being developed to utilize the provisions under the Agricultural Act of 1970 to operate feed programs for 1997 and future crop years.

Under current statute, the Disaster Reserve stocks are not replenished after being sold. Therefore, when the remaining Disaster Reserve stocks are sold or donated and all monies disbursed, the funding for emergency livestock feed programs will end.

Food Assistance

USDA Food Distribution Program regulations provide that foods donated for school food service and other **Food and Consumer Service** programs may be released to relief organizations that prepare congregate meal service in situations of distress.

Additionally, the Secretary of Agriculture may authorize State/local agencies to make available disaster food stamp assistance during any disaster which disrupts commercial channels of food distribution if such assistance is determined to be necessary and commercial channels of food distribution have again been restored. Such assistance may be determined to be necessary, if, as a result of the disaster, income or resources are reduced or inaccessible, and households need food assistance that cannot be met by the regular Food Stamp Program procedures.

Food Safety

The **Food Safety and Inspection Service** helps consumers through its toll-free meat and poultry hotline when food safety questions arise due to power failure, natural disaster, product recalls, or for other reasons. Consumers may call 1-800-535-4555. If calling within the metropolitan Washington, D.C. area call (202) 720-3333, Monday through Friday, 10 a.m. to 4 p.m. Eastern time, and home economists, registered dietitians and food technologists will provide on-the-spot answers to crucial questions about the safe handling and care of meat and poultry.

Protection of Forests and Rangelands

The **Forest Service** sets priorities, establishes policies, and formulates and implements forestry and rangeland programs for national forests and provides financial and technical assistance to State Foresters. The FS has the capability to respond to a wide variety of national and international emergency disaster needs.

The FS provides fire protection on national forest lands and takes direct action in the control of fires that threaten to spread from adjacent lands. Assistance is provided to other Federal and State agencies in the suppression of wildfires. Communications networks, disaster coordination management teams, aviation transportation, firefighter crews, and assistance in the overall organization of multi-agency response efforts are a few examples of the assistance provided. The FS provides technical and financial assistance to State Foresters in mitigating and improving their fire suppression capability, and serves as a technical fire advisor to FEMA in the Fire Suppression Assistance Program.

The FS provides technical and financial assistance to State agencies and organizations for preventing, detecting, and evaluating forest insect and disease outbreaks on forest lands, regardless of ownership. Forest pest management entomologists and remote sensing specialists assess resource damage and the potential for forest insect outbreaks following major storms.

Through the Emergency Watershed Protection Program, the FS, in cooperation with NRCS, may assist in the planning and installation of emergency conservation measures on State and private lands suddenly damaged by fire, flood, or other disasters. Emergency measures help prevent further damage to communities, public water supplies, and transportation systems by relieving imminent hazards to life and property.

In cases of major damage to forest resources caused by adverse weather conditions, such as hurricanes and tornadoes, insects, or diseases, the FS can assign wood utilization and marketing specialists to expedite salvage, marketing, and other recovery operations to minimize economic losses.

The FS furnishes personnel and equipment for search and rescue work and other emergency measures on national forest lands and on other lands in cooperation with State agencies.

Crop Insurance

The **Risk Management Agency (RMA)** was established in 1996 to administer the Federal crop insurance program and provide risk education and access to other risk management tools for producers. With the passage of the Federal Agriculture

Improvement and Reform Act of 1996, producers are responsible for more of their agricultural risks than ever before. Crop insurance is one way producers can address their own risk management needs.

Producers must sign up for crop insurance in advance of the growing season. If you have crop insurance provided through the RMA, you can be reimbursed for unavoidable losses to your crops. When a disaster occurs, contact your insurance provider immediately to provide a "notice of loss." Your insurance provider will make the necessary arrangements to have a loss adjuster visit your farm to determine the extent of the damage and fill out the necessary paperwork.

The Federal crop insurance programs offers multiple peril crop insurance for more than 50 crops located in over 3,000 counties across the country. Crop insurance is available in all 50 States and in Puerto Rico. Crop insurance covers unavoidable losses due to adverse weather conditions including drought, excessive moisture, hail, wind, hurricanes, tornadoes, and lightning. It also covers unavoidable losses due to insect infestations, plant diseases, floods, fires, and earthquakes. In addition to providing Federal crop insurance, RMA will assist producers in determining their own individual needs through risk management education.

Coverage. Crop insurance offers guaranteed yields and a choice of prices to be paid on each bushel or pound of loss. The cost of insurance, which is a fully deductible business expense, depends on the level of protection selected. Since changes to the law in 1995, producers have been able to obtain catastrophic coverage on insurable crops at a level equal to 50 percent of their established yield and 60 percent of the market price determined by the USDA. The premium for this coverage is fully subsidized by the government. Producers pay an administrative fee of \$50 per crop, per county, for catastrophic coverage. Producers can choose additional coverage options from 50 to 75 percent of the established yield and 100 percent of the established price. If harvested production is less than the insured level because of named perils, the insurance pays the difference.

Yield Guarantees. Crop insurance is specific to a producer's needs using actual production history as the basis for coverage. By using his or her own history, the producer receives a better rate for improved yields, thus making it more attractive for productive farmers to elect higher levels of crop insurance coverage.

Delivery. Beginning in 1995, producers can choose between obtaining the catastrophic level of coverage at the local Farm Service Agency office in some States, or through a private crop insurance agent. Additional coverage levels of insurance can be

obtained only through a crop insurance agent who represents one of the program's participating insurance companies.

Crop Revenue Coverage. Crop Revenue Coverage and Income Protection plans of insurance are relatively new to the crop insurance program. These programs add a price component in addition to the protection for production losses that have traditionally been offered with Federal crop insurance. These additional coverage programs are offered in limited areas and only through crop insurance agents.

Rates. Premium rates for additional coverage vary throughout the country, and even within counties, reflecting differences in productivity and the risk of loss. A crop insurance agent can explain the rate structure and find a level of insurance to meet the producer's needs. Insurance premiums for additional coverage are partially subsidized, with the subsidy equal to 30 percent of the premium on a crop insurance policy at the 65/100 percent coverage level. Producers must pay the remaining portion of the premium for additional coverage. In addition, RMA pays all the administrative costs of running the additional coverage program.

Non-Insured Crop Disaster Assistance Program (NAP)

Administering Agency. Farm Service Agency

Statute. Public Laws 103-354 and 104-127.

Assistance Available. The Noninsured Crop Disaster Assistance Program (NAP) provides assistance to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop. Payment eligibility is based on an expected yield for the area and the producer's approved yield based on actual production history, or a transitional yield if sufficient production records are not available. Production for the applicable area expected yield of a NAP crop must be reduced by more than 35 percent because of natural disaster and the individual producer unit must suffer greater than a 50 percent loss of yield or be prevented from planting more than 35 percent of intended acreage due to natural disaster reasonably related to the basis for the area designation.

Eligible Crops. Each commercial crop or other agricultural commodity (except livestock) for which catastrophic risk protection under section 508(b) of the Federal Crop Insurance Act is not available that is produced for food or fiber. Effective with P.L. 103-354 eligible crops also include floricultural, ornamental nursery, and Christmas tree crops, turfgrass sod, and industrial crops. Effective with P.L. 104-127 eligible crops also include seed crops and aquaculture (including ornamental fish).

Beneficiaries. Eligible persons sharing in the proceeds of an eligible crop at the time of loss with annual qualifying gross revenue less than \$2 million.

Limitations. Producer must report acreage and production by specified deadlines and furnish a timely notice of loss within 15 days of the date when a loss becomes obvious. Additionally, applications for NAP payments must be filed with the local office no later than the first acreage reporting date for the crop in the crop year immediately following the crop year in which the loss occurred.

Availability. Assistance will be made available for each approved crop in an area approved by CCC for a natural disaster.

Comments. No person shall receive payments for a crop year in excess of \$100,000. If a producer is eligible to receive NAP assistance and benefits under any other program administered by the Secretary for the same loss, the producer must choose whether to receive the other program benefits or NAP assistance. The producer is not eligible for both.

Rural Development Assistance

Rural Development personnel in State and local offices and at the national office in Washington, D.C., work closely with FEMA in the aftermath of natural disasters.

- The **Office of Community Development**, which provides support through Rural Development field offices to rural communities, delivers a variety of technical assistance programs following natural disasters. For example, USDA-sponsored teams of Americorps members--Americans age 17 and older performing public service for a year to earn a tuition stipend and a voucher--work in a variety of ways to rebuild disaster areas.
- The **Rural Business-Cooperative Service**, which provides direct and guaranteed rural economic loans and grants and rural business enterprise grants, offers all of its programs to businesses and cooperatives affected by natural disasters.
- The **Rural Housing Service** provides subsidized direct and guaranteed loans to low-income rural residents and communities in need of housing or community facilities. Existing borrowers are offered loan forbearance, when needed, to recover from the effects of a natural disaster.

- The **Rural Utilities Service** provides RUS-financed electric and telecommunications cooperatives and companies with technical and/or loan assistance when necessary for restoration of service after a natural disaster. (These are on-going programs, not disaster assistance programs.)

The RUS Water and Waste Disposal Loans and Grants Program may be used to develop, replace, or repair water and waste disposal (including storm drainage) systems in rural areas and towns having a population of 10,000 or less. Municipalities, counties, special-purpose districts, Indian tribes, and nonprofit corporations are eligible. Applicant must be unable to obtain credit from other sources. (These are ongoing programs, not disaster assistance programs.)

Under the Emergency Community Water Assistance Grants (ECWAG) Program, RUS may make grants to public bodies in rural areas and towns with a population of 10,000 or less, private nonprofit corporations, political subdivisions of a State, and Indian tribes. The decision of the USDA's Rural Development State office is based on applications received. Projects compete nationally for available funds under the provisions of the ECWAG Program. (No funds were appropriated in FY 97 for this program.)

Land Protection

The **Natural Resources Conservation Service** (NRCS) provides technical and financial assistance for runoff retardation and soil erosion prevention as needed to reduce hazards to life and property from floods, drought, and the products of erosion on any watershed impaired by a natural disaster. NRCS provides technical assistance for:

- Rehabilitation of land and conservation systems for which FSA provides cost-sharing.
- Emergency protection to assist in relieving imminent hazards to life and property from floods and products of erosion created by natural hazards that are causing a sudden impairment of a watershed.

NRCS provides information and materials (maps and reports) on watershed projects, river basin studies, and resource conservation and development projects. It also makes available agency equipment for emergency use.

Other Aid

Under certain adverse conditions, short of a disaster determination by the Secretary of Agriculture, other aid may be available through other USDA agencies. Ordinarily, however, such a determination is necessary for countywide aid.

Assistance Available in Areas Designated as Natural Disaster Areas by the Secretary of Agriculture

Emergency Loans

The **Farm Service Agency** provides emergency loans (EM) to help cover production and physical losses in counties declared as disaster areas by the President or designated by the Secretary of Agriculture. For physical losses only, the FSA Administrator may authorize EM assistance.

Eligibility. Emergency loans may be made to farmers and ranchers who:

- are established family farm operators;
- are citizens or permanent residents of the United States;
- have the ability, training or experience necessary to repay the loan;
- have suffered a qualifying physical loss, or a production loss of at least 30 percent in any essential farm or ranch enterprise;
- cannot obtain commercial credit;
- can provide collateral to secure an EM loan; and
- have repayment ability.

Loan Uses. Emergency loan funds may be used to:

- restore or replace essential property;
- pay all or part of production costs associated with the disaster year;
- pay essential family living expenses;
- reorganize the farming operation; and
- refinance debts.

Loan Limit. The loan limit is up to 80 percent of actual loss, with a maximum indebtedness under this program of \$500,000.

Loan Requirements. FSA loan requirements are different from those of other lenders. Some of the more significant of these conditions are:

- Borrowers must keep acceptable farm records.
- Borrowers must operate in accordance with a farm plan they develop and agree to with FSA.
- Borrowers may be required to participate in a financial management training program, and may be required to obtain crop insurance.

Loan Terms. Loans for crop, livestock, and non-real estate losses are normally repaid from 1 to 7 years depending upon the loan purpose, repayment ability, and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. Again, in unusual circumstances, repayment may be made over a maximum of 40 years.

Temporary Assistance. Borrowers are expected to return to conventional credit sources. Emergency loans are a temporary source of credit, and borrowers are reviewed periodically to determine whether they can return or "graduate" to commercial credit.

Interest Rate. The current annual interest rate is 3.75 percent.

Collateral. All emergency loans must be fully collateralized. A first lien is required on all property or products acquired, produced, or refinanced with loan funds. The specific type of collateral required may vary depending upon the loan purposes, repayment ability, and the individual circumstances of the applicant.

Application Deadline. Applications for emergency loans must be received within 8 months of the disaster designation date.

USDA Assistance Available Under a Presidential Disaster Declaration

In the event of a major disaster with severe losses and dislocations, the President, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, can declare either a **major disaster** or a **Presidential emergency**.

Assessments of damage are made by **FEMA**. Under procedures described by FEMA, the President may call upon other Federal departments, agencies, and instrumentalities to make grants and provide help to certain local governments for limited actions. In counties named by FEMA, USDA help, in addition to that identified above, may be triggered as follows:

Emergency Loans

The **Farm Service Agency** will automatically make emergency loans (EM) available to eligible farmers under a "major disaster declaration," or under a "Presidential emergency declaration." EM loans are also triggered in counties contiguous to those named by the President.

Disaster Food Assistance

When a Presidential disaster has been declared, the **Food and Consumer Service** may make available to relief organizations, through State distributing agencies, donated foods for use in preparing congregate meals. In certain circumstances, the Secretary of Agriculture may also authorize the distribution of food for household consumption.

Upon request from the Governor, the Secretary of Agriculture may also direct FCS to distribute disaster food stamps to victims if:

- Commercial chains of food distribution are available; and,
- As a result of the disaster, income or resources are reduced or inaccessible, and households need food assistance that cannot be met by the regular Food Stamp Program procedures.

Additional copies of this Program Aid can be obtained from:

USDA State and County Offices,

DMCS, by calling (202) 720-5711, or

By accessing the DMCS Home Page,
<http://www.usda.gov/da/disaster.html>